

## Message Text

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ORIGIN ARA-14

INFO OCT-01 ISO-00 SAB-02 EB-08 AID-05 SS-15 NSCE-00  
COME-00 TRSE-00 OPIC-03 L-03 OMB-01 AGRE-00 /052 R

DRAFTED BY ARA/PAN:DGWAGNER:ZC  
APPROVED BY EB:JKATZ  
S/AB:DHPOPPER (DRAFT)  
ARA/PAN:JCHAAHR (DRAFT)  
EB/IFD/OIA:D V GRANT  
LA/CEN:HMARWITZ (DRAFT)  
-----002508 171725Z /43  
P 171656Z MAY 78  
FM SECSTATE WASHDC  
TO AMEMBASSY PANAMA PRIORITY  
INFO USCINCSO PRIORITY  
GOV PANCANAL PRIORITY

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EMBASSY PASS ALSO TO USAID MISSION

E.O. 11652: N/A

TAGS: PN, EAID, ECIN, ECRE, EINV, EMIN, EIND, BDIS, XMB,  
OPIC, (BARLETTA, NICOLAS A.)  
SUBJT: MEETING OF MINISTER BARLETTA WITH ASSISTANT  
SECRETARY JULIUS KATZ

REFERENCE: STATE 121272

1. THE FOLLOWING ARE THE MAIN POINTS COVERED IN MINISTER  
BARLETTA'S MEETING WITH ASSISTANT SECRETARY KATZ IN THE DE-  
PARTMENT ON MAY 11.

2. ECONOMIC ASSISTANCE PACKAGE: BARLETTA WOULD LIKE TO  
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IMPLEMENT THE OPIC GUARANTEE PROGRAM AS SOON AS POSSIBLE  
TO TAKE ADVANTAGE OF SOME ATTRACTIVE INVESTMENT OFFERS  
PANAMA HAS RECEIVED. THE USAID HOUSING INVESTMENT  
GUARANTEE (HIG) PROGRAM IS THE SECOND PRIORITY. BARLETTA  
WOULD LIKE TO IMPLEMENT THE GUARANTEES IN JANUARY IN ORDER  
TO CONTINUE OUR HIG PROGRAM WITHOUT INTERRUPTION.  
BARLETTA HOPES TO USE THE EX-IM CREDIT TO DEVELOP THE

CERRO COLORADO COPPER DEPOSIT AND TO CONSTRUCT LA FORTUNA DAM. THERE WAS NO DISCUSSION OF THE TIMING OF THE EXCHANGE OF NOTES TO IMPLEMENT THESE PROGRAMS.

3. CERRO COLORADO: BARLETTA IS TRYING TO OBTAIN AT LEAST PART OF PANAMA'S EQUITY IN THE PROJECT FROM THE IDB AND WORLD BANK. HE ASKED IF PRESIDENT CARTER COULD MENTION THE PROJECT SYMPATHETICALLY IN HIS SPEECH IN PANAMA ON JUNE 16. WE REPLIED THAT WE HAVE ONLY JUST BEGUN TO THINK ABOUT WHAT THE PRESIDENT WILL SAY AND MADE NO COMMITMENT.

4. GSP FOR SUGAR: MBARLETTA INQUIRED WHETHER PANAMA COULD BE GRANTED GSP STATUS FOR ITS SUGAR. ASSISTANT SECRETARY KATZ EXPLAINED THE PROBLEMS WE FACE IN THE CONGRESS WITH THE CHURCH BILL AND TOLD BARLETTA THAT UNTIL THEY WERE CLEARED UP IT WOULD BE IMPOSSIBLE TO CONSIDER EXTENDING GSP TO ANY OTHER COUNTRIES.

5. ASSISTANT SECRETARY KATZ RAISED THE CITRICOS MATTER. BARLETTA SAID THAT THE GOVERNMENT AND CITRICOS ARE STILL FAR APART, ABOUT DOLS 2.4 MILLION VS. ABOUT DOLS 10 MILLION. ANY INDEPENDENT VALUATION OF THE PROPERTY WOULD BE "TOTALLY AGA-NST" PANAMA'S LEGAL PROCEDURES AND CITRICOS' CONTRACT WITH THE GOVERNMENT, ALTHOUGH BARLETTA HAD SUGGESTED THAT THE COMPANY CONSULT WITH THE LAND APPRAISAL LIMITED OFFICIAL USE

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EXPERTS AT CHASE MANHATTAN BANK. BARLETTA ADDED THAT THE COMPANY IS STILL LUDWIG'S PROPERTY AND THAT THE GOVERNMENT IS ONLY MANAGING THE LAND. VANCE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATIONALIZATION, DIPLOMATIC DISCUSSIONS, TRADE CONCESSIONS, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE125402  
**Document Source:** CORE  
**Document Unique ID:** 00  
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**Enclosure:** UPGRADED PER MEMO P880098-2225  
**Executive Order:** R1 19940824 BURKE, JOHN R  
**Errors:** N/A  
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**Office:** ORIGIN ARA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** UNCLASSIFIED  
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**Page Count:** 2  
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**Previous Handling Restrictions:** LOU  
**Reference:** 78 STATE 121272  
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**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2660717  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MEETING OF MINISTER BARLETTA WITH ASSISTANT SECRETARY JULIUS KATZ  
**TAGS:** EAID, ECIN, ECRE, EINV, EMIN, EIND, BDIS, PN, US, OPIC, XMB, CITRICOS, (BARLETTA, NICOLAS A), (KATZ, JULIUS)  
**To:** PANAMA USCINCSO MULTIPLE  
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**Review Markings:**  
Sheryl P. Walter  
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US Department of State  
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20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014